

Proposed: 33 N.J.R. 3718(a)

HIGHER EDUCATION TITLE 9A

EDUCATIONAL OPPORTUNITY FUND

Administrative Procedures and Policies

Financial Eligibility

Proposed Amendment: N.J.A.C. 9A:11-2.4

Authorized By: Educational Opportunity Fund Board of Directors,

Sang Jin Kim, Chairperson

Authority: N.J.S.A. 18A:71-33

Calendar Reference: See Summary below for explanation of exception to calendar requirement

Proposal Number PRN: 2001 - 431

Opportunity to be heard: Submit written comments by January 4, 2002

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The agency proposal follows:

Summary

The Educational Opportunity Fund (EOF) Program provides students from educationally disadvantaged backgrounds with financial aid and other support services while attending participating New Jersey colleges and universities. The program is a collaborative effort. Under the general supervision of the Commission on Higher Education, the EOF Board of Directors administers the program and the participating institutions directly serve the students.

Working with participating institutions, the EOF Board maintains a Statewide system to identify and recruit potential college students from backgrounds of historical poverty; develops eligibility criteria for EOF financial assistance based on students income and their potential for success in college; establishes procedures to determine the amount of the academic year grants according to the total financial need of each student; and advises on the development, organization, and coordination of a wide range of educational support and enrichment activities.

To fulfill requirements to inform institutions annually of the EOF income eligibility scale, the EOF Board proposes amendments at N.J.A.C. 9A:11-2.4(a)1 and 2. These amendments reflect increases for the 2002-03 academic year, compared with 2001-02, by household size (up to eight members). The proposed amendments accord with the official Federal poverty guidelines published in the February 16, 2001 edition of the Federal Register, the national numbers being adjusted by 200 percent (that is, doubled), as stated in N.J.A.C. 9A:11-2.4(a). The new income allowance for each additional member of more-than-eight-member households, at N.J.A.C. 9A:11-2.4(a)2, likewise is double the national figure.

This rulemaking is excepted from the required rulemaking calendar (NJAC 9A:1.30-3.1) because a comment period of at least 60 days is provided (NJAC 9A:1.30-3.3(a)5).

Social Impact

In 1995, the EOF Board began adjusting by a fixed percentage (200 percent) the Federal poverty guidelines used for the EOF income eligibility scale. The original income cut-off, set in 1968 when the Legislature created the EOF program, was \$10,000 (regardless of family size), which equaled 281 percent of the Federal poverty guidelines then. Today, 281 percent of the Federal poverty guidelines represents the upper limit on discretionary students income. (N.J.A.C. 9A:11-2.4(f) allows campus EOF directors to admit such students if strict adherence to the income eligibility cut-offs will not serve program purposes.) Adjusting the Federal guidelines reflects New Jersey's higher cost of living compared with the U.S., and the proposed concomitant rule changes emphasize the EOF Board's desire to maintain the original target population of the EOF program.

Economic Impact

Funds for EOF student grants are derived from State appropriations; 13,000 students participated in the program during the 2000-01 academic year. The proposed amendments will not have a direct impact on the total number of students aided or total costs associated with the EOF program because the maximum enrollment is limited by the level of annual State appropriation.

Federal Standards Statement

The proposed amendment to N.J.A.C. 9A:11-2.4(a)1 and 2 are not subject to a Federal standards analysis under Executive Order No. 27 (1994) because EOF was established by New Jersey legislation, is wholly supported by State appropriations, and is not subject to any Federal requirement or standards.

Jobs Impact

Adopting the proposed amendments to N.J.A.C. (9A:11-2.4(a)1 and 2 will not result in the generation or loss of any jobs.

Agriculture Industry Impact

Adopting the proposed amendments will have no impact on the agriculture industry.

Regulatory Flexibility Statement

A regulatory flexibility analysis is not required because the proposed amendments do not impose requirements on small businesses as defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The rules pertain strictly to public and publicly funded independent colleges and universities in New Jersey, none of which qualify as a small business as that term is defined by the Act, and to students participating in the EOF program.

Full text of the proposal follows (additions indicated in boldface thus; deletions indicated in brackets [thus]):

9A:11-2.4 Financial eligibility for initial Article III student grants

(a) The EOF Executive Director shall annually inform institutions of adjustments to the EOF Income Eligibility Scale in accordance with the Federal poverty guidelines published in the Federal Register and adjusted by 200 percent to reflect an eligible target population consistent with the intent of the original legislation.

1. Except as stipulated in (b) and (c) below, dependent and independent students are financially eligible for an initial Article III student grant if their gross household income does not exceed the applicable amounts set forth in the EOF Income Eligibility Scale as follows:

Academic Year [2001-02] 2002-03

Applicants with a

Gross income

Household size of

Not to Exceed

2	[22,500] <u>23,220</u>
3	[28,300] <u>29,260</u>
4	[34,100] <u>35,300</u>
5	[39,900] <u>41,340</u>
6	[45,700] <u>47,380</u>
7	[51,500] <u>53,420</u>
8	[57,300] <u>59,460</u>

2. For each additional member of the household, an allowance of [\$5,800] \$6,040 shall be added to this amount in order to determine EOF eligibility for the [2001-02] 2002-03 academic year. This allowance shall be adjusted to reflect changes in the Federal poverty guidelines as published in the Federal Register. In addition the gross income level for each household size shall also be adjusted annually.

(b) - (i) (No change.)